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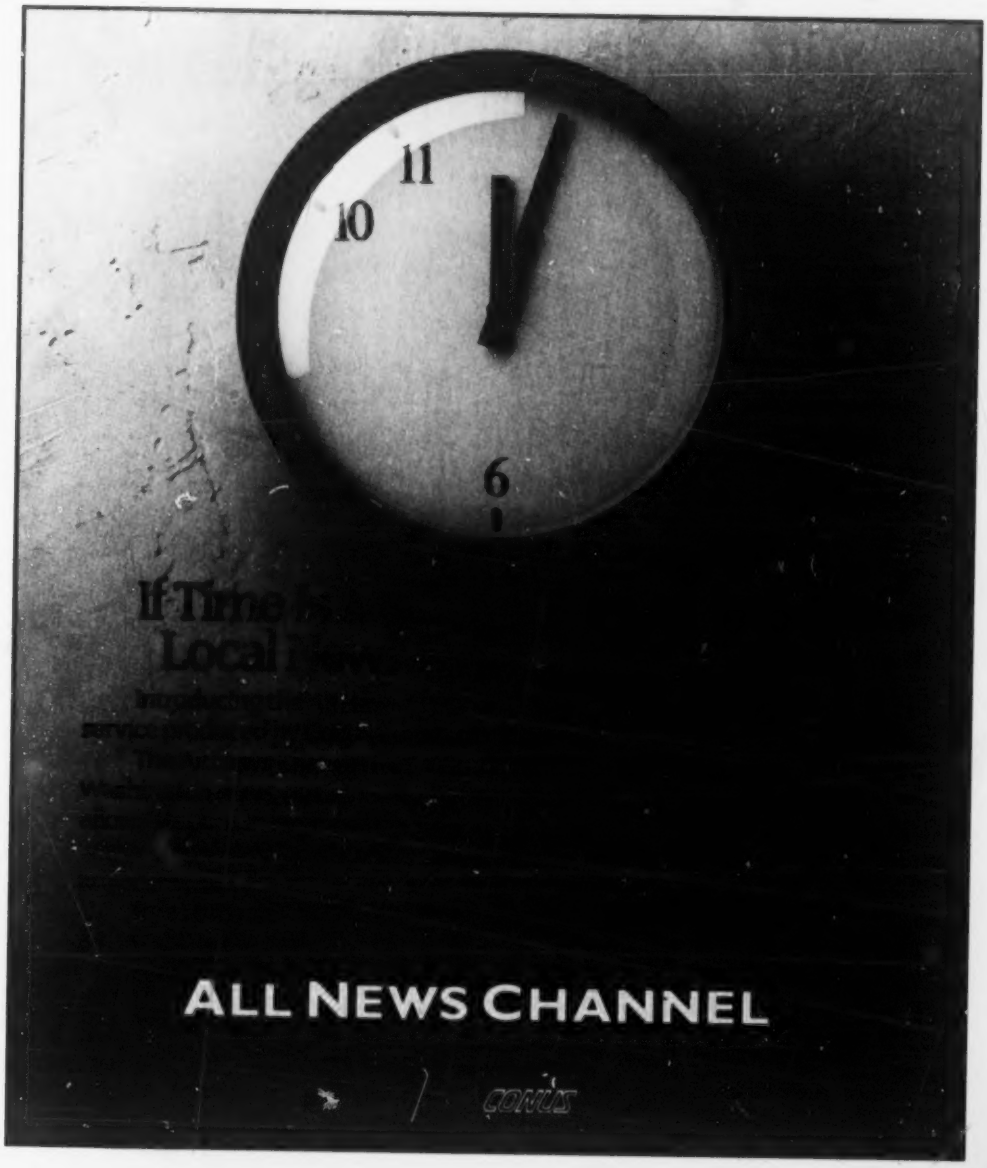
The Fifth Estate

RADIO TELEVISION CABLE SATELLITE

Broadcasting Nov 6



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59th Year 1989

Indecency and the FCC: the beat goes on

Broadcasting Nov 6

Vol. 117 No. 19

No movement on must carry...

Both cable and broadcast industries dig their heels in on channel positioning. Some wonder if must-carry agreement will ever be reached. **PAGE 35.**

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BY THE NUMBERS 1

CBS's *Wolf* (pictured at right) isn't doing so well. Running up against the season premiere of NBC's *In the Heat of the Night* on Tuesday at 9, *Wolf*'s Week Six average was a 6.8 rating/10 share, down from Week Four's 9.9/16. *Heat of the Night* mustered a 19.2/29 for its first episode and finished 10th for the week. According to national overnight ratings for Week Seven's Tuesday night (Oct. 31), *Heat* pulled in an 18.0/28 at 8-8:30 and a 19.8/32 for its last half hour. *Wolf* delivered a 5.5/9 and a 5.6/9 for its similar 30-minute splits.

According to the same national overnights, NBC won Tuesday night for the first time this season, taking the night away from ABC by averaging a 17.1/29 over ABC's 16.4/27 and CBS's 8.4/14.

Week Six, ended Oct. 29, was won by NBC with a 14.9/24.9. CBS was second with a 14.2/23.9, followed by CBS's 13.0/21.7. Together, the big three delivered a combined 42.1 rating for an average of 38.8 million households.

"By the Numbers" continues on page 12

RATINGS ROUNDUP

Week 6 □ Oct. 23–Oct. 29

Rank/trend	Program	Network	Rating
29			14.6/25
31			14.5/28
32	▼		14.4/25
33			14.4/25
34	▼		14.2/22
35	▼		14.1/22
36	▼		13.5/21
37	▼		13.3/22
38	▲		13.2/20
39	▲		13.0/20
40			12.9/23
41	▼		12.8/23
42			12.6/19
43	▼		12.2/18
44	▲		12.1/19
45			12.1/22
46	▼		11.3/18
47	▲		11.2/18
48	▼		11.0/19
49	▲		11.0/18
50	▲		10.9/20
51	▼		10.8/18
52			10.0/18
53	▼		10.5/20
54	▲		10.5/17
55			10.3/17

Rank/trend	Program	Network	Rating
56	▼		10.3/18
57	▲		10.2/19
57			10.2/17
59	▼		10.1/17
60			10.0/18
61	▲		9.9/16
62			9.8/17
62			9.8/17
64			9.8/15
65			9.8/19
66			9.8/15
67	▲		9.1/15
67	▼		9.1/16
69			8.9/15
70	▼		8.9/15
71			8.8/15
72	▲		8.8/15
73	▼		7.8/13
74			7.8/13
75	▼		7.5/13
76			6.8/12
77	▲		6.2/10
78	▼		5.8/9
79	▼		5.6/9
80	▲		5.1/8
81	▼		4.8/7
82			4.0/8
83	▼		3.8/7
84	▼		2.8/5

FREEZE FRAMES: Syndication Scorecard

Week ended Oct. 22

Rank	Program	Syndicator	Rtg	Stns	Covg
1			14.3	225	99
2			12.6	212	96
3			9.7	208	98
4			9.6	200	97
4			9.6	230	97
6			8.6	163	95
7			8.5	180	93
8			7.9	183	89
9			6.	189	96
10			5.9	210	97
10			5.9	145	94
12			5.5	122	82
13			5.2	166	89
14			5.1	188	96
14			5.1	170	89

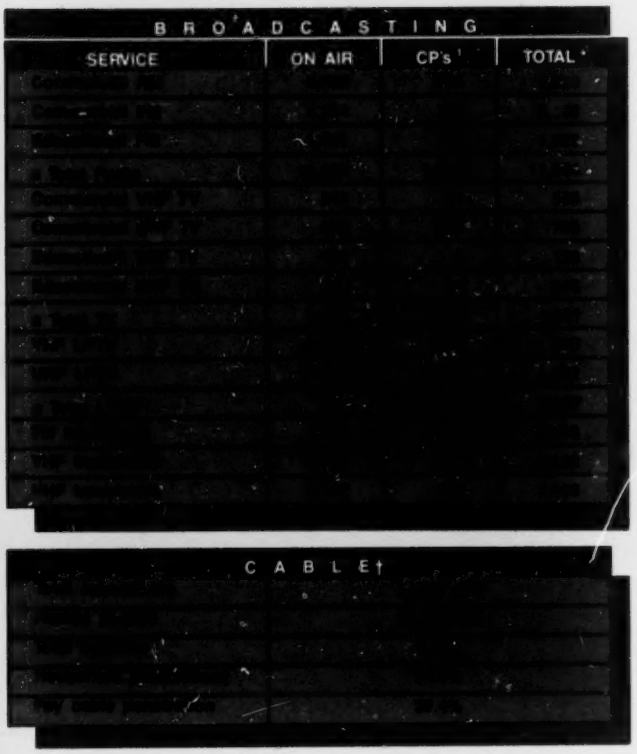
The following shows were rated, but not ranked:

			6.	167	92
			8.2	237	96

Nielsen weekly pocketpiece

Source: Nielsen and Broadcasting's own research

Summary of Broadcasting & Cable



BROADCASTING			
SERVICE	ON AIR	CP's [1]	TOTAL *

CABLE†

* Includes off-air licenses. † Penetration percentages are of TV household universe of 90.4 million. [1] Construction permit. [2] Instructional TV fixed service. [3] Studio-transmitter link. Source: Nielsen and Broadcasting's own research.

"By the Numbers" continued from page 10

In the evening news race, ABC's *World News Tonight* won the week with a 10.3/21. CBS came in second with a 10.0/20, followed by NBC's 9.6/20.

For the book of days, ABC's Monday night win was a squeaker at 17.3/28 over NBC's 17.2/26.7. CBS pulled in a 13.1/20.

Tuesday, Wednesday and Friday were also ABC wins. Tuesday was won with an 18.3/29 over NBC's 16.7/26.4 and CBS's 9.3/14.8. Wednesday went to ABC's 14.5/24.9, over second place NBC's 13.7/23.2. On Friday, ABC took the night with a 17.7/31.6. CBS came in second that night with a 13.0/23.4.

Thursday and Saturday went to NBC. The former was a 21.0/35.2 win, over CBS's 11.5/19.2 and ABC's 9.7/16.3. The latter night was taken with a 15.8/28.4 over ABC's 13.4/24.9 and CBS's 8.4/15.3.

CBS took Sunday night with a 20.4/33.3—the network's highest average this season for that night. NBC claimed an 11.2/18.1, while ABC had a 9.7/16.1.

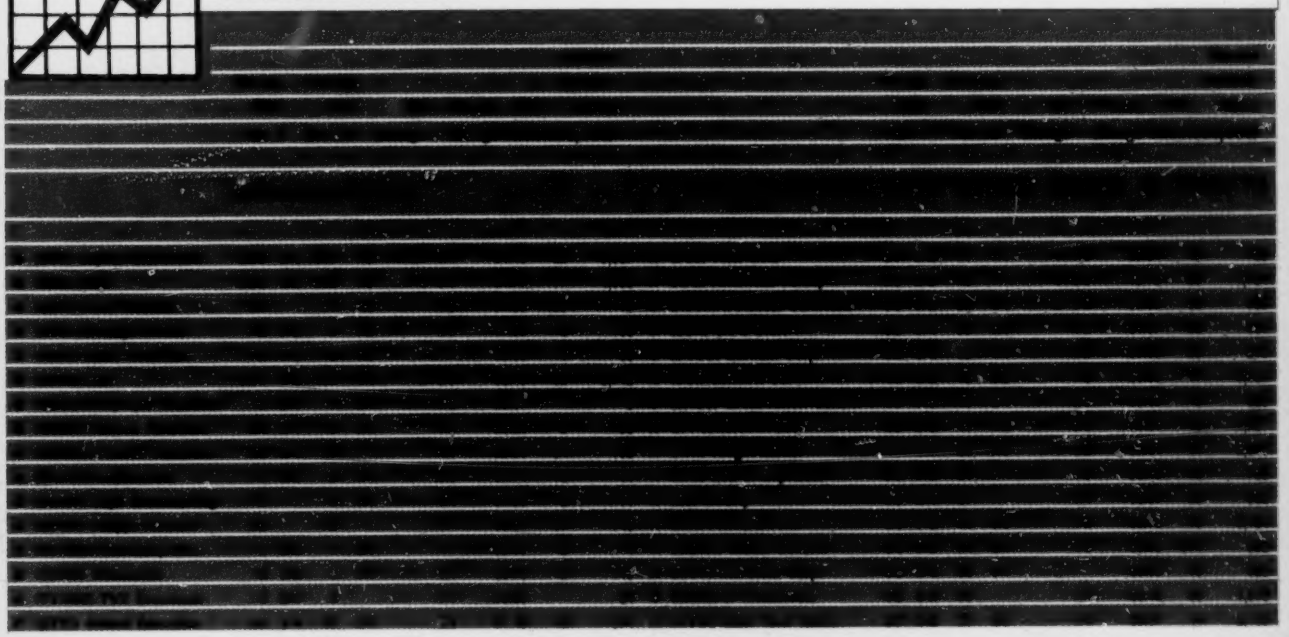
ABC's three-hour Sunday broadcast of *AT&T Presents: The Final Days* ranked 57th for the week with a 10.2/17. CBS's Sunday movie, *The Lady Forgets*, brought in an 18.5/34 to rank 14th for the week. NBC's movie, *Double Your Pleasure* tied for 50th with the network's *227* and pulled in a 10.9/18.

MarketScope

The Standard & Poor's Industrials fell 1.50 points to close at 389.42. For the seven day period ended Nov. 1, the Stock Index stood at 38 advances, 78 declines and 13 unchanged. Among the six groups tracked, the Equipment and Manufacturing group was hardest hit, with five advances, 17 declines and two unchanged. Cable stocks finished in a similar fashion, with three advances, 15 declines and one unchanged. Broadcasting stocks closed out with four advances, nine declines and three unchanged.

Stock Index Notes: T-Toronto, A-American, N-NYSE, O-NASDAQ. Bid prices and common A stock used unless otherwise noted. P/E ratios are based on earnings per share for the previous 12 months as published by Standard & Poor's or as obtained by Broadcasting's own research.

STOCK INDEX 1



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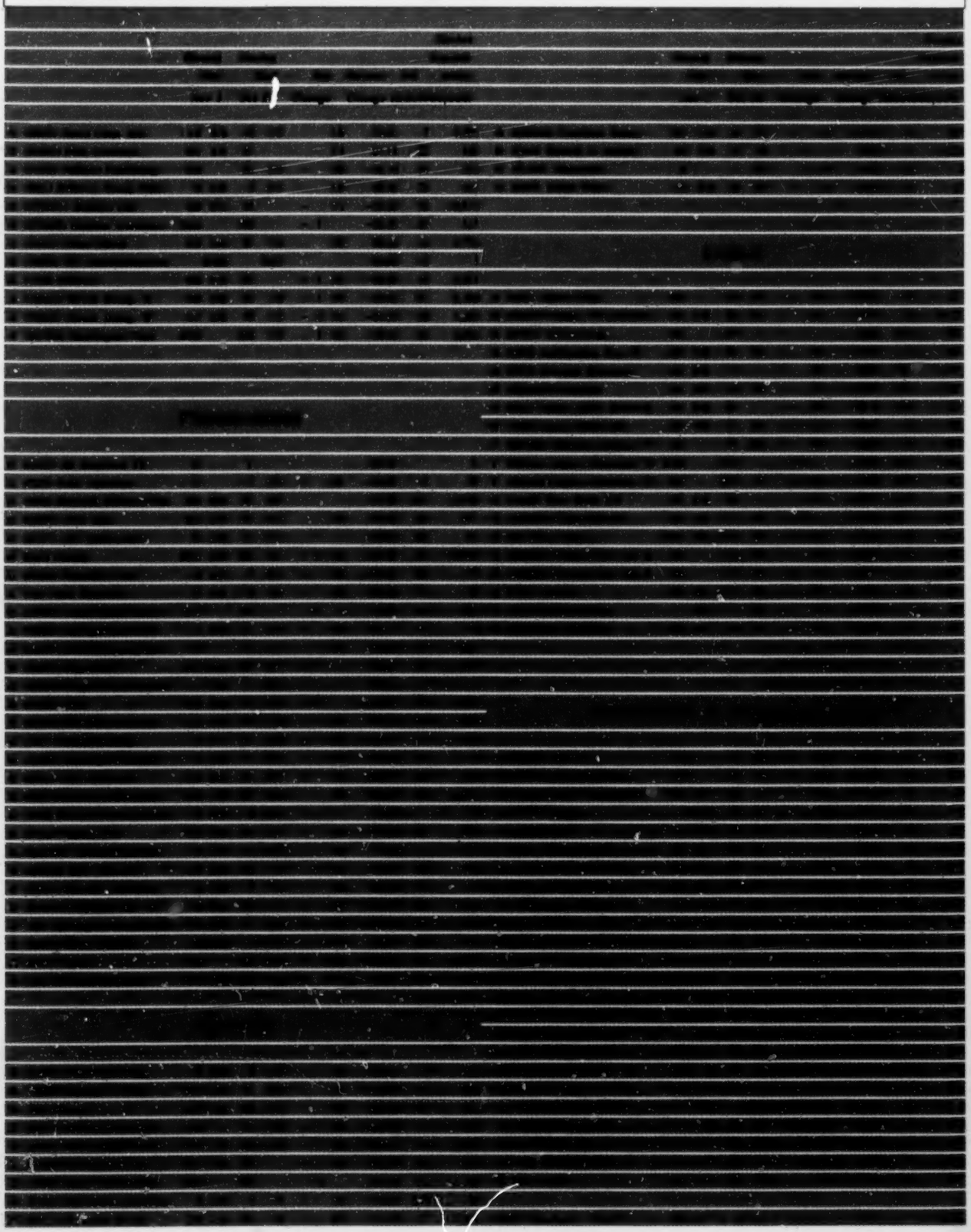

Errata

Styles Broadcasting Co. is headed by Robert Germain and **Tom DiBacco and Kim Styles DiBacco** (husband and wife), who also own WHEW(FM) Fort Myers, Fla. Names of the DiBaccos **were omitted from Oct. 23 "Changing Hands" item on sale of WRBA(FM) Springfield, Fla.**

□

Oct. 16 special report on basketball incorrectly reported that NBC-TV airs Raycom Sports' 38-game Atlantic Coast Conference package in regions outside mid-Atlantic. **NBC's 20-game college basketball schedule does include four ACC conference games and ACC Championship,** as well as six interconference games involving ACC teams.

□

NPR was not participant in PBS lease or purchase of multiple satellite transponders from AT&T announced last week, as suggested in Oct. 30 "Closed Circuit." NPR continues separate negotiations for next-generation satellite capacity with "several vendors, and a final selection certainly has not been made," said Peter Lowenstein, VP, distribution, NPR, which expects to complete deal for two transponders by end of year.

portunities," sponsored by *National Academy of Television Arts and Sciences, New York chapter. Speaker: Andre Orgel*, president-CEO, Video Jukebox Network, Copacabana, New York.

Dec. 7—"The Television Marketplace," luncheon sponsored by *Academy of Television Arts and Sciences*, featuring David Gerber, chairman, MGM/UA Television Production Group; Jerry Leider, chairman, ITC Entertainment Group, and Sandy Wernick, president, Brillstein Productions. Beverly Hilton, Los Angeles. Information: (818) 953-7575.

Dec. 9—*Texas AP Broadcasters* regional news seminar. Holiday Inn, Northwest Loop, San Antonio, Tex. Information: ((214) 991-2100.

Dec. 12—"Europe 1992: What Will a Stronger Common Market Mean for the U.S.—And the World?" conference for journalists sponsored by *Washington Journalism Center*. Watergate hotel, Washington. Information: (202) 337-3603.

Dec. 12—Pay-per-view seminar sponsored by *Cable Television Administration and Marketing Society*. Anaheim Hilton, Anaheim, Calif. Information: (703) 549-4200.

Dec. 13—*American Sportscasters Association* fifth annual hall of fame dinner. Marriott Marquis, New York. Information: (212) 227-8080.

Dec. 13-15—Western Cable Show. Anaheim, Calif. Information: (415) 428-2225.

Dec. 14—*International Radio and Television Society* Christmas benefit, featuring Flash Cadillac, sponsored by *Unistar Communications Group*. Waldorf-Astoria, New York. Information: (212) 867-6650.

Dec. 20—*Society of Broadcast Engineers, chapter 15*, meeting, "Designing a Radio Facility." Speaker: Herb Squire, WQXR-FM New York. WQXR facility, New York. Information: David Bialik, (212) 752-3322.

January, 1990

Jan. 4—"Salute to 20 Years of [ABC's] *All My Children*, sponsored by *National Academy of Television Arts and Sciences, New York chapter*. Speakers: Agnes Nixon, who created the program; Felicia Behr, producer, *AMC*, and Jozie Emmerich, senior VP-daytime programs, ABC-TV. Copacabana, New York.

Jan. 8—*International Radio & Television Society* newsmaker luncheon. Waldorf-Astoria, New York. Information: (212) 867-6650.

Jan. 10-12—TV programing festival of International Film & TV Festival of New York. Sheraton Center, New York. Information: (914) 238-4481.

Jan. 11—*Federal Communications Bar Association* luncheon. Speaker: Janice Obuchowski, assistant secretary of Commerce for Communica-

"Datebook" continues on page 92.

Open Mike

Weather update

EDITOR: We realize that covering an industry as dynamic as weathercasting in one article is a difficult task at best. And while your Oct. 23 article, "You need more than a weatherman to know which way the wind blows," highlighted some interesting trends and issues, it also contained errors and omissions that could be misleading.

While the trend toward PC-based systems was noted in several places, ESD's role as a leading developer and supplier of PC-based systems was not mentioned. (This segment of the market has been and continues to be the fastest growing, not just because of cost advantages, but because of ease-of-use and reliability factors.)

Second, ESD is a recognized technological leader in the industry: we were the first to distribute color digital satellite imagery, and the first to free TV stations from the constraints of telephone dial-up (with our Front End processing system). Today the capabilities of our fully integrated PC-based Weathergraphix workstations rival what only much larger systems could accomplish a few short years ago.

Contrary to what your article states, the proprietary nature of Kavouras systems prohibits them from accepting ESD data and imagery or, for that matter, any other commercial source of data and imagery. [ESD's Weathergraphix workstations require no proprietary hardware in order to use ESD-supplied data and imagery.]—*Larry N. Hambrick, chief operating officer, ESD Weather Systems, Suitland, Md.*

Other way around

EDITOR: Your "Top of the Week" story entitled "FCC cleans out the pipeline on indecency" in the Oct. 30 issue provided a concise and insightful summary of what has become an extraordinarily convoluted legal issue. One bit of history, though, was reversed in the telling. The FCC's 1987 order abandoned a long-established 10 p.m. to 6 a.m. safe harbor for indecent programing in favor of a more restrictive midnight to 6 a.m. safe harbor, not the other way around. Broadcasters lost a key two hours of discretionary time. It was that more restrictive standard which the Court of Appeals reversed, leading to Congress's 24-hour ban. That set the stage for the current commission inquiry. This is the quintessential modern communications issue, in which Congress, the commission and the courts are all involved, and it is very difficult to predict where it will all end.—*Lawrence M. Miller, Schwartz, Woods & Miller, Washington.*

Virgin Islands update

EDITOR: Your "Closed Circuit" of Oct. 2 quoted Martha Wheeler from a St. Thomas radio station as saying that "Both TV stations based on [the Virgin Islands] have declared bankruptcy and will not reorganize." This is simply not true.

First of all, I am quite amazed a person who has no relationship with the two TV stations in the Virgin Islands, like Ms. Wheeler, would speak on their behalf. I cannot speak on behalf of the other TV station, but I know that our station, WSVI(TV) Christiansted, the ABC affiliate, has "not declared bankruptcy" and has no intention to do so.

Even though our broadcasting facilities have been devastated by Hurricane Hugo, we plan to rebuild the station and go back on the air. As of now, we are borrowing some broadcasting equipment from the Federal Emergency Management Agency to be able to go on low power as soon as possible. Later we plan to reconstruct the station and continue our ABC programing along with our local productions.—*Barakat Saleh, president, WSJU(TV) Carolina, P.R.*

Less is not more

EDITOR: I read with interest the Oct. 9 story citing a study by Media Perspectives that found listeners feel AM is top-heavy with news and information.

I think this misses the point.

I recall several years ago someone being quoted in the *New York Daily News*, saying that radio news disappeared from many stations because it was done poorly. News staffers were lazy, ripping the news wire, reading stories outside their region of no interest and rewriting day-old stories from the newspapers, with no attempt at local origination.

This summer I heard an "all news" station in a semi-major market. I had just heard the National Weather Service Public Service Band station forecast severe thunderstorms with damage. But for at least the next hour, this "all-news" station simply relayed its national network and ripped state

wire stories for local news. There was not a word about the weather warning. And there was very major damage.

So when consultants come in, they do focus groups, find the audience is bored with these very boring news stations, and conclude that news programing is "clutter."

It'd be as if a town had only one pizzeria. And the pizza was heavy and greasy, and it ended up going out of business.

And then restaurant consultants came in and concluded: "Obviously, there's no market for pizza in this town!"

It seems that radio consultants may be doing just that, basing their findings on newscasts that repel listeners or bore then to tears. Then they find news to be "boring" and "clutter" in the programing.

It's interesting that at the recent AP newspaper editors' convention, the major finding was that baby boomers are putting down roots in their communities, and that community news will have to be covered well, and made interesting, and relevant to the reader.

Isn't it interesting that they aren't finding that their audience doesn't want any hard news or information, but that the reverse is true...they want to know what's going on in their communities.—*Michael Collins, president, WSNG(AM) Torrington, Conn.*

Of like mind

EDITOR: The recent letter from Harold Hallikainen ("Open Mike," Oct. 16) is hanging on the bulletin board at KEY 590. When I first read it, I had to read his name twice to be sure that I hadn't written the letter and forgotten all about it. I've written a good many letters that were very similar.

Here in Canada, AM radio is faring considerably better than it is in the United States. In Toronto, the split between AM and FM listenership is still about 50-50. The AM share is dropping, nevertheless, and without some corrective action, we're in for trouble.

There's one point, though, that wasn't mentioned in Mr. Hallikainen's letter. In Canada, and possibly in the United States too, there is now not *one* make of AM stereo equipment for home use that's still on the market. The last two manufacturers offering AM stereo receivers have ceased production in the last few months.

Meanwhile, AM stereo is still available in automobiles, but in many cases, it's available only with the low-end sound systems. If you upgrade to premium equipment, you lose AM's stereo capability. Furthermore, there are strong rumors that some car manufacturers will drop it from even their base line systems in the near future.

I share his frustration in what I perceive to be the industry's lack of action in resolving this matter. All of the major Toronto AM stations are broadcasting in stereo. Here at KEY 590, we are running an ongoing series of promotional announcements to call attention to AM stereo. We have continued to run these, even after home sets have been withdrawn from the market, because we want our listeners to create a demand at the retail level. Audio retailers tell us that they're receiving calls for sets, but there's no product available.

When I talk to other broadcasters, or to industry associations, I get a variety of responses. "We can't control what the set manufacturers do." (The heck you say! If we create a demand, the sets will be there.) "Manufacturers won't make the sets, because AM sound quality is too poor." (Hogwash! As Mr. Hallikainen pointed out in his letter, NRSC AM stereo can't be distinguished from FM stereo on the average radio.) "We're working on it, but it takes time. " (This response from industry associations really upsets me, because activity is measured by results, and there are presently no results.) "Forget it...it's a lost cause." (This response is the most maddening of all when it comes from an AM broadcaster who's broadcasting in stereo.)

We need more people to speak up. AM stereo will not, single-handedly, result in the rebirth of the AM radio industry, but it's one important ingredient, and I'm not ready to see it fall by the wayside.—*Dave Lyman, vice-president-general manager, KEY(AM) Toronto.*

On the job

EDITOR: I noted with concern that your story in the Oct. 23 issue, "Bay area radio covers the quake," failed to mention KNBR(AM)'s tremendous effort. Realizing that phone communications were difficult during the quake and for several days thereafter, I thought you might find it interesting and revealing to know how KNBR responded to this extreme situation. As the flagship station of the San Francisco Giants, KNBR was in the middle of our World Series pregame program when the earthquake hit. KNBR was the only major AM radio station in the market not to be knocked off the air. KNBR is also the Emergency Broadcast Station for the Bay Area and was utilized as such to broadcast EBS announcements from San Francisco Mayor Art Agnos throughout the night, along with messages from Lt. Governor Leo McCarthy.

While KCBS(AM) and KGO(AM) are the major news outlets in the market, the entire KNBR staff provided Northern California with "continuous" coverage from 5:04 p.m. Tuesday until 5 a.m. Thursday when we began airing commercials again and moved back into regular programing. It should be noted that KGO radio suffered severe damage to its transmitters and KCBS radio was also knocked off the air for a period of time. KNBR, which is a 50 kw clear channel station, was able to stay on the air with only brief interruptions. Our staff of news and talk personalities provided eyewitness accounts and up-to-date traffic and transit information and took thousands of calls from our listeners in all of the quake-affected areas. KNBR's building was affected by the quake and lost all its power and electricity. KNBR's emergency generator came on and we were able to continue to broadcast news and information. We were working under severe handicaps: no lights—just flashlights, no wires for 48 hours, no air conditioning and only limited phones.—*Tony Salavadore, vice president-general manager, KNBR(AM)-KFOG(FM) San Francisco.*

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has in the past."

WFMT is an unusual station. Not only is it a commercial station under the control of a nonprofit entity, it also spends a large portion of its budget on production, much of it live. Although it is best known for classical music, it also features poets and critics. Thus, it considers itself a "fine arts" rather than mere classical music station. And it is a local station with a national audience. United Video distributes the station's signal via satellite to more than 300 cable systems serving some 3 million homes in 45 states.

Listeners first became alarmed about the fate of WFMT when CETA sold *Chicago* magazine in January 1987 for $16 million and used the proceeds for the support of WTTW. What remains from the sale—$9 million—is now in an endowment fund for the television station. WFMT had published *Chicago* and counted on its profits to help support its operations. CETA sold WFMT's property "and put the money in its own pocket," said Friends in its petition.

Because of the existence of the endowment, Friends said, the fundraiser WFMT aired in May 1989 to cover a $400,000 shortfall in operating expenses was a fraud. "In fact, as CETA knew, there was never a true deficit at all," it said. "The interest on the $9 million fund created by the sale of the program guide would easily have covered any $400,000 deficit.... The so-called deficit was contrived by CETA primarily to get listeners to make contributions they would not otherwise have made."

According to Friends, CETA is now demanding that the station reduce costs and become a "record-playing station" more like crosstown classical music station WNIB(FM) and threatening to require the station to accept recorded commercials. The demands, threats and the sale of one of WFMT's principal assets constitute a breach of the trust obligations CETA took on when it accepted the station as a gift from Tribune Broadcasting in 1969, the petition said.

For both the fraud and the breach, Friends said, CETA is unfit to be a broadcast licensee. **–HAJ**

State of the Network Economy

(Add 000)

	Prime Time	Late Night	A.M.	Daytime	Children	Sports	News	Total
Revenue from client-supplied programing								
Third quarter '88	$2,526	$0	$0	$0	$0	$1,282	$0	$3,808
Third quarter '89	3,498	0	0	0	0	1,106	0	4,604
% change	38.48	NA	NA	NA	NA	-13.73	NA	20.90
All other gross revenue from time sales								
Third quarter '88	672,283	81,638	44,790	257,748	34,003	550,719	174,888	1,816,069*
Third quarter '89	855,776	90,383	50,718	229,793	37,828	266,294	175,326	1,706,118*
% change	27.29	10.71	13.24	-10.85	11.25	-51.65	0.25	-6.05
Total gross revenue from time sales								
Third quarter '88	674,809	81,638	44,790	257,748	34,003	552,001	174,888	1,819,877
Third quarter '89	859,274	90,383	50,718	229,793	37,828	267,400	175,326	1,710,722
% change	27.34	10.71	13.24	-10.85	11.25	-51.56	0.25	-6.00
Less advertising agency commissions								
Third quarter '88	101,238	12,245	6,719	38,667	5,086	82,641	26,227	272,823
Third quarter '89	128,891	13,557	7,609	34,467	5,674	39,801	26,299	256,298
% change	27.31	10.71	13.25	-10.86	11.56	-51.84	0.27	-6.06
Total net revenue from time sales								
Third quarter '88	573,571	69,393	38,071	219,081	28,917	469,360	148,661	1,547,054
Third quarter '89	730,383	76,826	43,109	195,326	32,154	227,599	149,027	1,454,424**
% change	27.34	10.71	13.23	-10.84	11.19	-51.51	0.25	-5.99

*Does not include color insertion revenues.

**Includes no political parties/candidates revenues for the 1989 third quarter.

Total three-TV network revenue in the just-completed third quarter was just under $1.5 billion. The total was 6% less than that which ABC, CBS and NBC reported for the third quarter of last year, a period which had extra revenue from the summer Olympics.

The year-to-year decline was virtually the same as that experienced in the first quarter, which also was matched against Olympic spending in the prior year.

The network revenue figures were provided to BROADCASTING by the Broadcast Financial Management Association and compiled from unaudited submissions made by ABC, CBS and NBC to Arthur Young & Co.

Looked at over two years, and thus skipping any comparison involving Olympic advertising, both prime time and total three-network revenue increased 4½% compounded annually between 1987 and 1989. Late-night revenue growth over the two years was stronger, at 6½% annual growth, as was early morning (A.M.) at almost 9% growth.

Weaker dayparts included both daytime, down just over 1% annually, and children's, down just under 1% annually. Sports was up 4%, while the best performance was registered by news, which posted 14% growth, although some of that increase was due to a redefinition of certain programing (previously categorized as part of prime time) to news.